



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the reports on Margin Credit (FR G-1, FR G-2, FR G-4; OMB No. 7100-0011. FR G-3; OMB No. 7100-0018. FR T-4; OMB No. 7100-0019. FR U-1; OMB No. 7100-0115).

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by *FR G-1*, *FR G-2*, *FR G-3*, *FR G-4*, *T-4*, or *FR U-1*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18th and 19th Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC, 20551.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve of and assign OMB control numbers to collection of information requests and

requirements conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

Request for comment on information collection proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Federal Reserve should modify the proposal.

Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following reports:

1. Report title: Registration Statement for Persons Who Extend Credit Secured by Margin Stock (Other Than Banks, Brokers, or Dealers); Deregistration Statement for Persons Registered Pursuant to Regulation U; Annual Report.

Agency form number: FR G-1; FR G-2; FR G-4.

OMB control number: 7100-0011.

Frequency: FR G-1 and FR G-2: On occasion; FR G-4: annually.

Respondents: Lenders making loans secured by margin stock other than brokers, dealers, and banks.

Estimated number of respondents: 89.

Estimated average hours per response: FR G-1: 2.5; FR G-2: 0.25; FR G-4: 2.

Estimated annual burden hours: 160.

General Description of Report: The registration statement (FR G-1) is required to enable the Federal Reserve to identify nonbank lenders subject to Regulation U, to verify compliance with the regulation, and to monitor margin credit. In addition, registered nonbank lenders can be subject to periodic review by the Board, National Credit Union Administration, and Farm Credit Administration.

The deregistration statement (FR G-2) is used by nonbank lenders to withdraw from regulation if their margin credit activities no longer exceed the regulatory threshold found in Regulation U. Under section 221.3(b)(2) of Regulation U, a registered nonbank lender may apply to terminate its registration if the lender has not, during the preceding six calendar months, had more than \$200,000 of such credit outstanding.

The information submitted on the annual report (FR G-4) is required pursuant to Regulation U to enable the Federal Reserve to monitor the amount of credit that is secured by margin stock and that is extended by nonbank lenders.

2. Report title: Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U.

Agency form number: FR G-3.

OMB control number: 7100-0018.

Frequency: On occasion.

Respondents: Lenders that extend credit by other lenders pursuant to the Federal Reserve's margin requirements.

Estimated number of respondents: 6.

Estimated average hours per response: 0.17.

Estimated annual burden hours: 20.

3. Report title: Statement of Purpose for an Extension of Credit by a Creditor.

Agency form number: FR T-4.

OMB control number: 7100-0019.

Frequency: On occasion.

Respondents: Brokers and dealers extending credit pursuant to the Federal Reserve's margin requirements.

Estimated number of respondents: 4.

Estimated average hours per response: 0.17.

Estimated annual burden hours: 14.

4. Report title: Statement of Purpose for an Extension of Credit Secured by Margin Stock.

Agency form number: FR U-1.

OMB control number: 7100-00115.

Frequency: On occasion.

Respondents: Filers for extension of credit by banks.

Estimated number of respondents: 4.

Estimated average hours per response: 0.17.

Estimated annual burden hours: 51.

General Description of Report: The FR G-3, FR T-4, and FR U-1 purpose statements, which are completed by the borrower and the lender (brokers and dealers, in the case of the FR T-4), consist of three parts. The borrower completes Part I of the reporting form and is required to do the following: state the amount of the loan and whether the purpose of the loan is to purchase, carry, or trade in securities (pursuant to Regulation T) or purchase or carry margin stock (pursuant to Regulation U) and, if not, describe the specific purpose of the loan. FR T-4 respondents must also answer a question as to whether the securities serving as collateral will be delivered against payment. The borrower must sign and date the reporting form. The lender completes Part II, which may entail listing and valuing any collateral. The lender then signs and dates Part III of the reporting form, acknowledging that the customer's statement is accepted in good faith. The lender is required to hold the reporting forms for at least three years after the credit is extinguished. The Federal Reserve System does not collect or process this information, but as noted, the information required on the form may be used by Federal Reserve examiners to assess compliance with the Securities Exchange Act of 1934 and Regulation T.

Proposed revisions: The Board proposes to revise the instructions for the FR G-1, FR G-2, and FR G-4 to require respondents to submit Portable Document Format (PDF) versions of the reporting forms and attachments to a designated Federal Reserve Board e-mail address. The Board is proposing these revisions in an effort to improve clarity as the current instructions do not contain explicit guidance on the form of submission for the reports. The revisions would be effective April 1, 2018.

The Board also proposes to consolidate all six Margin Credit Reports under one OMB control number, 7100-0011, which currently only includes the FR G-1, FR G-2, and FR G-4. This change is aimed at simplifying the tracking and clearance process for the Margin Credit Reports.

Legal authorization and confidentiality: The Board has determined that each of the reports is authorized by section 7 of the Act (15 U.S.C. 78g). In addition, FR T-4 is required by section 220.6 of Regulation T (12 CFR 220.6), FR U-1 is required by sections 221.3(c)(1)(i) and (2)(i) of Regulation U (12 CFR 221.3(c)(1)(i) and (2)(i)), and FR G-1, FR G-2, FR G-3, and FR G-4 are required by sections 221.3(b)(1), (2), and (3), and (c)(1)(ii) and (2)(ii) of Regulation U (12 CFR 221.3(b)(1), (2), and (3), and (c)(1)(ii) and (2)(ii)).

FR G-1 and FR G-4 collect financial information, including a balance sheet, from nonbank lenders subject to Regulation U. Some of these lenders may be individuals or nonbank entities that do not make this information publicly available; release could therefore cause substantial harm to the competitive position of the respondent or result in an unwarranted invasion of personal privacy. In those cases, the information could be withheld under exemption 4 or exemption 6 of the Freedom of Information Act (5 U.S.C. sections 552(b)(4) and (6)), respectively. Confidentiality determinations must be made on a case by case basis. Because FR G-3, FR T-4, and FR U-1 are not submitted to the Federal Reserve System and FR G-2 does not contain any information considered to be confidential, no confidentiality determination is necessary for these reports.

Board of Governors of the Federal Reserve System, January 17, 2018.

Ann E. Misback,

Secretary of the Board.

BILLING CODE 6210-01-P

[FR Doc. 2018-01115 Filed: 1/22/2018 8:45 am; Publication Date: 1/23/2018]